

IN THE MATTER OF:

HEF HOLDINGS INC

D/B/A

RESIDENTIAL HOME LOAN CENTERS, LLC*

(RESPONDENT)

BEFORE THE COMMISSIONER
OF FINANCIAL REGULATION

* * * * *

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (this "Order") is entered into this 28th day of July, 2008 by and between the MARYLAND COMMISSIONER OF FINANCIAL REGULATION (the "Commissioner") and HEF Holdings Inc., and its owner Mark D. Hoffman (loan originator license # 13962), former owner/director of Allfirst Mortgage Corporation (license # 11849) and presently doing business as a net branch of Residential Home Loan Centers, license # 17265 (Respondent"), 66 Painters Mill Rd., Ste 110, Owings Mills, MD 21117, as a final resolution in this matter.

WHEREAS, the Commissioner is charged under the Maryland Mortgage Lender Law (the "MMLL"), Md. Code Ann. Fin. Inst. § 11-501 *et seq.*, with the responsibility of licensing and regulating mortgage lenders who make or broker consumer loans secured by residential real property located in this State; and

WHEREAS, at all times relevant hereto Respondent has been duly licensed under the MMLL as a Maryland mortgage broker engaged in the mortgage lending or brokering business as those terms are defined in FI § 11-501 (i) and (j); and

WHEREAS, pursuant to COMAR 09.03.06.03B, a Maryland mortgage lender/broker licensee may not "broker a loan to, or accept a loan from, a person the licensee knows is not licensed by the Commissioner, unless the licensee reasonably and in good faith believes that the person is properly licensed or exempt from the licensing requirement"; and

WHEREAS, it is a violation of FI § 11-604 for an individual to act as a Maryland mortgage originator without being (i) duly licensed under MMLL, or (ii) exempt from licensing under the MMOL or the Maryland Mortgage Lender Law (FI § 11-501 *et seq.*); and

WHEREAS, the Commissioner has received information indicating that Respondent knowingly accepted one or more mortgage loans from, and otherwise engaged in the mortgage lending business through, a mortgage originator (Bryan B. Rosenberg) not properly licensed (the "Violation"); and

WHEREAS, Respondent acknowledges receipt of the enumerated fees or payments listed below from funds of, or proceeds due, the borrower [REDACTED] for which it was not entitled or which it improperly obtained through actions of an unlicensed mortgage originator Bryan B. Rosenberg and other collaborators:

Re: Allfirst Mortgage Broker; Genuine Title file 07-12416; settlement 5/18/07

- 1) 5/23/07 Check # 61012- HEF Holdings- cashed at R.B. Enterprises, LLC, in the amount of \$14,300.00 to be refunded.
- 2) 5/23/07 Allfirst- (wired out \$14,696.37, less \$15 credit report and lender's P.O.C. \$5,146.25); the amount of \$9,535 to be refunded.

Re: Residential Home Loan Center; Genuine Title file 07-15443; settlement 7/13/07

7/20/07 check # 070234- Residential Home Loan Centers, deposited to Susquehanna Bank (\$2,994.89, less credit report fee- \$15); the amount of \$2,979 to be refunded.

Re: Miscellaneous charges: Chase Bank records

- 1) 6/28/07 check # 2370-HEF Holdings, deposited to MB&T, in the amount of \$13,000.00 to be refunded.
- 2) 7/5/07 check # 1966- Jason Sellers, deposited to MB&T, in the amount of \$9,000.00 to be refunded.

Re: Miscellaneous charge: Bank of America record

8/2/07 check # 5061 from [REDACTED] to Cash in the amount of \$3,825 for "net branch," endorsed by "BR."

Re: Civil monetary penalty:

\$500.00 per loan (2) or \$1,000.00; and

WHEREAS, Respondent agrees to make payments according to a Refund Plan set forth herein in the total amount of **\$52,639.00**, payable to [REDACTED], of which **\$28,825.00 shall be paid within 10 days** of the execution of this Settlement Agreement and Order; in addition, the remaining balance due of **\$23,814.00** shall be paid to the complainant in **4 installments beginning December 10, 2008, according to the following schedule until paid in full:**

December 10, 2008- \$3,969

June 10, 2009- \$7,938

December 10, 2009- \$7,938

March 10, 2010- \$3,969

Moreover, the Respondent agrees that he shall simultaneously forward to the Commissioner of Financial Regulation a copy of each refund payment made to Doris Berman. *Each refund payment shall bear a notation with reference to case number CFR-EU-2007-203.* All refund payments shall be in the form of certified check, money order, or cashier's check; and

WHEREAS, Respondent, in addition to any refund so ordered, agrees to pay to the Commissioner a civil monetary penalty in the amount of One Thousand Dollars (\$1,000.00) as a sanction for the Violation; and

WHEREAS, the borrower, [REDACTED], as part of this settlement and as evidenced by her signature below agrees not to contact any other agency either civil or criminal and/or pursue any other action and that the contents of this Agreement resolve all outstanding issues between the parties; and

WHEREAS, Respondent wishes to operate in this State as a mortgage lender/broker in compliance with all applicable laws and regulations and further wishes to resolve the Violation without the need for an administrative hearing, thereby avoiding the cost associated with such hearing and any potential appeals; and

WHEREAS, Mark D. Hoffman and Allfirst Mortgage Corporation by executing this Agreement hereby agree to its terms but do not admit to specific violations of the Maryland Annotated Code, COMAR, or any other civil or criminal violation; and

WHEREAS, the Commissioner desires to ensure that Respondent shall comply with all applicable provisions of law and regulation applicable to mortgage lenders in this State, and further wishes to avoid the cost to the taxpayers of an administration hearing and any potential appeals; and

WHEREAS, Respondent acknowledges that it has voluntarily entered into this Order with full knowledge of its right to a hearing in connection with any charges brought by the Commissioner alleging the Violation pursuant to the MMLL and Maryland Administrative Procedures Act (Md. Code Ann., State Gov't. § 10-201 *et seq.*) and hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel and has either obtained legal advice or has waived its right to obtain counsel in connection with the negotiation and execution of this Order.

NOW, THEREFORE, it is hereby ORDERED by the Commissioner of Financial Regulation that:

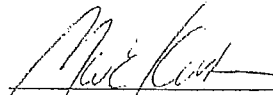
1. The Recitals set forth above are and shall form a part of this Agreement.
2. Mark D. Hoffman and HEF Holdings Inc., jointly and or severally, presently doing business as a net branch of Residential Home Loan Centers, agrees to and shall make refunds to [REDACTED], Silver Spring, MD 20904, according to the Refund Plan as agreed to in this Agreement and Consent Order.
3. Respondent shall no longer accept Maryland mortgage loans from, or otherwise engage in the mortgage lending business through, any mortgage originator who is not properly licensed as a Maryland mortgage originator under FI § 11-601 *et seq.*
4. Respondent shall abide by the terms and conditions of the Refund Plan cited above.
5. Respondent, in addition to any refund so ordered, shall pay to the Commissioner a **civil monetary penalty in the amount of One Thousand Dollars (\$1,000.00)** as a sanction for the Violation. Respondent shall pay this amount by certified check or a cashier's check made payable to **"Commissioner of Financial Regulation"** upon the execution of this Order. *The civil monetary payment shall bear a notation with reference to case number CFR-EU-2007-203.*
6. In the event Respondent violates any provision of this Order, the MMLL, any other law which applies to mortgage lending in Maryland, or any regulation promulgated pursuant to such laws, the Commissioner may, at the Commissioner's discretion, take such enforcement actions as permitted by, and in accordance with, applicable law. Subject to the particular circumstances, such actions may include an order to cease and desist, suspension or revocation of a mortgage broker or originator license, civil penalties of up to \$1,000.00 for each violation and/or referral for possible criminal prosecution.
7. The Violation shall be resolved in accordance with the terms of this Order and the same shall be reflected among the records of the Commissioner of Financial Regulation and shall constitute a Final Order of the Maryland Commissioner of Financial Regulation.

IN WITNESS WHEREOF, this Order is executed in triplicate on this 28th day of July, 2008.

COMMISSIONER OF FINANCIAL REGULATION

Company/owner Name

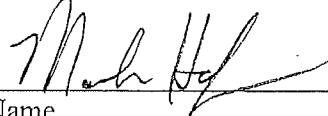
By:



Mark Kaufman

Deputy Commissioner


By:




Name

Title

Borrower Attestation:

I, , the borrower, agree not to contact any other agency either civil or criminal and/or pursue any other action and that the contents of this Agreement resolve all outstanding issues between the parties.


Signature

July 25, 2008
Date